

# FLANNER HOUSE ELEMENTARY SCHOOL

## 2011-2012 Performance Analysis

### *Core Question 2: Is the organization effective and well-run?*

2.1. Is the school in sound fiscal health?	
STANDARD	The school presents significant concerns in no more than <u>one</u> of the following areas: a) its state financial audits (e.g., presence of “significant findings”); b) its financial staffing and systems; c) its success in achieving a balanced budget over the past three years; d) the adequacy of its projections of revenues and expenses for the next three years; e) its fulfillment of financial reporting requirements under Sections 10 and 17 of the charter agreement. In addition, if the school presents significant concerns in one area, it has a credible plan for addressing the concern that has been approved by the Mayor’s Office.

2011-12 Performance: **Meets Standard**

#### **A) The School’s Financial Audits (e.g. presence of “significant findings”)**

Flanner House Elementary School (FHE) had no material weaknesses or significant deficiencies in its 2011-12 audit. Their auditors, Sikich, state, “In our opinion, the financial statements referred to present fairly, in all material respects, the financial position of Flanner House Elementary School, Inc. as of June 30,2012, and the changes in its net assets and its cash flows for the year then ended.”

While there were no material weaknesses or significant deficiencies, the auditors did mention a couple of considerations in the school’s supplementary report. These are listed below.

1. **Deposits:** Though the school has established that it should deposit money weekly (or daily if there was a large amount of cash on hand), the audit indicates that, “For the receipts and deposits tested, we noted that some receipts were not deposited daily.” The school has responded by stating that checks received by students and/or teachers they will be deposited within 24 hours.
2. **Late Fees:** The school paid some late fees on their ongoing line of credit with Dell Financial Services. According to the audit, “The School Corporation did not make all required payments in a timely manner which resulted in the assessment of a late fee for the June 2012 payment. For the 2011-2012 school years, late fees totaling \$29 were paid”. The school has responded by stating that payments will be made on time to all vendors and payments for our line of credit will be made on time to avoid late and interest fee.

Our office will continue to work with the school to ensure they are transitioning smoothly into using the new processes.

**B) The School's Financial Staffing and Systems**

Flanner House Elementary staff includes Tanjila Lawrence who serves as the Business Manager. The school also contracts with Bookkeeping Plus, Inc. for the preparation of financial statements.

**C) The School's Success in Achieving a Balanced Budget Over the Past Three Years**

The school did not meet standards in this area. Our office has some concerns about the school's ability to maintain a balanced budget over the past three years. The table below captures the school's change in net assets for that time frame. It indicates that the school had a negative change in net assets for the most recent two of the last 3 years.

Year	Change in Net Assets
FY '10	\$111,527
FY '11	-\$51,875
FY '12	-\$28,758

Though the school did not achieve a positive change in net assets, it is important to note that the school's audit financials indicate that it ended FY '12 \$1,046,464 in net assets. While this information is encouraging, the school cannot sustain operating at a negative change in net assets long term. Therefore, our office will continue to work with the school to understand how they are adhering to their budget.

**D) The Adequacy of the School's Projections of Revenues for the Next Three Years**

The table below summarizes the school's budget projections for the next 3 years.

Year	Anticipated Change in Net Assets	Anticipated Ending Balance
FY '13	\$24,537	\$88,015
FY '14	\$89,388	\$177,403
FY '15	\$39,326	\$216,729

The budget projections were made with the school expecting enrollment to remain flat for all three years. Expenses are expected to be a lower percentage of revenue in coming years. For FY '13, expenses are expected to be 98% of revenue. This is expected to drop to 95% in FY '14 and increases to 98% again in FY '15. Given that the projections anticipate both a positive change in net assets and anticipated ending balance for all 3 years, our office has no significant concerns at this time.

**E) The School's Fulfillment of Financial Reporting Requirements under Sections 10 and 17 of the Charter Agreement**

The school has fulfilled financial reporting requirements under Sections 10 and 17 of the charter agreement.

<b>2.2. Are the school's student enrollment, attendance, and retention rates strong?</b>	
<b>STANDARD</b>	The school is consistently fully enrolled. Student attendance and retention rates are generally at or above the school's agreed-upon target rates.

**2011-12 Performance: Exceeds Standard**

Flanner House Elementary School exceeds its enrollment target for 2011-12. The following chart displays the school's target enrollment compared with its official fall enrollment, as reported by the IDOE.

<b>Year</b>	<b>Target Enrollment</b>	<b>Fall Enrollment</b>	<b>Percent Below</b>
2011-12	210	230	N/A

***Source:** Official fall enrollment figures from the IDOE. Target enrollment is the maximum capacity from the school's charter agreement with the Mayor's Office, submitted by the school.*

The 2011-12 the attendance rate at FHE was above the averages of both the county and the state.

	<b>FHE</b>	<b>MC</b>	<b>IN</b>
<b>2011-12 Attendance rate</b>	98.48%	96.06%	96.1%

No targets have been established for student retention rates for FHE.

Based on the 2011-12 performance, FHE exceeds the Mayor's Office standard for this indicator because they were one student short of being fully enrolled and had an attendance rate higher than that of both the state and county.

<b>2.3. Is the school's Board active and competent in its oversight?</b>	
<b>STANDARD</b>	The Board's membership collectively contributes a broad skill set and fair representation of the community; Board members are knowledgeable about the school; roles and responsibilities of the Board are clearly delineated; Board meetings reflect thoughtful discussion and progress in the consideration of issues; overall, the Board provides consistent and competent stewardship of the school.

**2011-12 Performance: Does Not Meet Standard**

The Flanner House Elementary School Board membership represents a broad base of expertise, but has had issue regarding membership turnover and the cancelation of meetings. The Board experiences difficulty in achieving quorum and has canceled meetings due to lack of quorum in

October, November, January and June of 2011-12. When board meetings have convened, local members have participated via conference call on more than one occasion. In addition, there are areas of concern as it relates to the FHE Board and its current stability.

Since 2009-10, the FHE board has been engaged in recruitment of new board members. The FHE board recruited four new board members in July 2011 with backgrounds in law, banking and commercial real estate. Additionally, the school's board had one of its founding members rejoin the board of directors in July 2011 for a total of eight voting members, but by the end of 2011-12, a total of three board members resigned providing for more instability.

The Mayor's Office attends board meetings and examines meeting minutes. Board meeting minutes are not very clear and concise with tangible information derived from the meeting easily identifiable. In addition, an ongoing concern of the Mayor's Office is the future facility plans for FHE as Flanner House, Inc. which has embarked upon a Capitol Campaign to expand its current facilities which would require the school to vacate its current modular units. The Board has not yet been successful in identifying any potential sites to accommodate FHE.

Based on the performance demonstrated in the 2011-12 academic year, the Board at FHE does not meet the Mayor's Office standard for this indicator.

<b>2.4. Is there a high level of parent satisfaction with the school?</b>	
<b>STANDARD</b>	<b>More than 80% but less than 90% of parents surveyed indicate that they are satisfied overall with the school.</b>

**Not Evaluated.** In the spring of each year, researchers administer anonymous surveys to parents of students enrolled at Mayor-sponsored charter schools. In 2011-12, less than 10% of Flanner House Elementary School parents responded to the survey. Accordingly, the survey information received was not statistically significant; therefore, the school could not be evaluated on this indicator for 2011-12.

<b>2.5. Is the school administration strong in its academic and organizational leadership?</b>	
<b>STANDARD</b>	<b>The school's leadership a) has sufficient academic and/or business expertise; b) has been sufficiently stable over time; c) has clearly defined roles and responsibilities among leaders and between leaders and the Board; d) actively engages in a process of continuous improvement which has led to some mid-course corrections.</b>

2011-12 Performance: **Does Not Meet Standard**

The current Principal is now in the third year as the school's principal position and was mentored by the school's former Director of Education, who led the school since its founding. The dual

leader structure provided a measure of stability for the school, but the current school leader has not yet developed the ability to engage in the process of continuous improvement.

Flanner House Elementary School did not achieve Adequate Yearly Progress (AYP) toward statewide academic goals set by the Indiana Department of Education (IDOE) for the past two academic years (2009-10 and 2010-11). The current school leadership must demonstrate the ability to make mid-course corrections in response to the recent academic challenges the school has faced and establish clear roles and expectations of the board in assisting the school with said challenges. Therefore, FHE does not meet the Mayor's Office standard for this indicator for 2011-12.

2.6. Is the school meeting its school-specific organizational and management performance goals?	
Meets standard	School has clearly met its school-specific organizational goal.

**Not Evaluated.** Flanner House Elementary School did not have school-specific organizational and management performance goals to be evaluated for 2011-12.